

**ALAMEDA GOLF COMMISSION
MINUTES OF SPECIAL MEETING**

Wednesday, August 24, 2011

1 CALL TO ORDER

Chair Jane Sullwold called the regular meeting to order at 6:35 p.m. at the Chuck Corica Golf Complex, Ladies Lounge, 1 Clubhouse Memorial Road, Alameda, CA 94502

1-A ROLL CALL

Present: Chair Jane Sullwold, Commissioner Ray Gaul, Commissioner Betsy Gammell, Vice Chair Bill Schmitz and Secretary Jeff Wood

Absent: None

Staff: John Vest, General Manager, and Matt Wisely, Superintendent

1-B APPROVAL OF MINUTES

No minutes are available because the recorder failed again. A new recorder is being used to transcribe this meeting.

1-C ADOPTION OF AGENDA

The Commission unanimously adopted the agenda.

2 ORAL COMMUNICATIONS

None.

3 COMMISSION COMMUNICATIONS

None

4 WRITTEN/ORAL REPORTS

4-A Maintenance activities written report by Matt Wisely

Matt Wisely stated that they have been aerifying fairways and tees with a rented aerifier. The south course is finished and they are starting the north. They are going to start de-thatching some of the tees starting the second week of September, and will continue to remove dead redwood trees. A memorial tree on 13th north has been planted. Cart paths have started to be scraped.

The new carts have arrived and they will be equipped with sand and seed bottles. Sand only will be used at this time. Two staff members have left for other jobs, and a maintenance staff member has been promoted to cart mechanic; his duties will be devoted exclusively to cart maintenance. A former golf worker from the City has been rehired as a replacement for the cart mechanic. A new hire started today and another new hire will start Monday.

Chair Sullwold asked about the poor condition of the rough on the north caused by under-watering, and asked if that problem had been fixed. Matt responded that they are watering each course every other night, which keeps the courses fast and also keeps the rough from growing out of control, which is what they prefer. In addition, the water charges have been reduced significantly from those incurred last year. He also stated that during June and July, they had issues with EBMUD supplying only potable water, which doesn't fill the lake to capacity

Chair Sullwold asked about the reimbursement from EBMUD regarding the use of potable water when the non-potable line is down. John Vest said that the contract provides that states that we are to use potable water at the non-drought rate if there is a failure by EBMUD to deliver recycled water. Chair Sullwold asked to see the contract, stating that if they fail to provide the product, that we shouldn't have to pay the higher rate. John Vest stated that they tried to set up a meeting with EBMUD to discuss this. Chair Sullwold asked for a historical record.

Chair Sullwold asked Matt Wisely about some equipment malfunctioning, and Matt stated that it was the equipment that was rented that malfunctioned.

Bob Blanchard stated that he has played at the complex for over 60 years, and this golf course has never been in better condition than it is at this time.

4-B Golf Shop and Driving Range activities report by John Vest

John Vest stated that the transition getting the new fleet of carts on property went really well, including getting the old carts off property. Having a full time cart mechanic will also make a difference in the long run.

July revenue was up 3% from prior year, generating over \$430,000 in total revenue. Year to date revenue is up 2% from prior year. Rounds were up 5% from prior year. Year to date net income is up 34% from prior year. At this time, August is up about 500 rounds and \$7,000 in revenue from prior year. Tournament revenue in July was \$42,000 and 640 rounds ahead of last year.

Promotions in August include "Hot August Nights," which includes \$15 after 5:00 pm during the week and \$20 on weekends. Senior appreciation day on Wednesdays is still running and early twilight is \$35 after 12:00 with a cart.

4-C Beautification Program and Junior Golf Club by Mrs. Norma Arnerich

Commissioner Gammell stated that Norma Arnerich wanted to thank Matt for the help in the planting of the memorial trees.

4-D Golf Complex Restaurant Report, Jim's on the Course

None

5 AGENDA ITEMS

5-A Status Report on long term lease, Mif Albright negotiations, and proposal for Golf Complex reconfiguration by Ron Cowan and Harbor Bay Isle Associates, including Golf Commission recommendations, if any.

Chair Sullwold reported that she sent Lisa Goldman an email advising that the Golf Commission had unanimously supported her personal recommendation to obtain a new appraisal or an addendum to the current appraisal of the Mif land for purposes of negotiation with Harbor Bay Isle. The response she received was, "Thank you, I've talked to John now that he's back from vacation; he is too busy to talk to you directly. We've decided we will not be seeking a new appraisal or an addendum, but that we will use your analysis in our negotiations in an effort to get the best price for this very valuable piece of property." Chair Sullwold is going to suggest to John Russo that valuation should not be based on the opinion of someone who is not an appraiser or even in real estate, but should come from an expert. She doesn't believe that it would be a large expense to get this appraiser to do an addendum to her report to make the assumptions that should have been made initially had she been given the right information. She also heard that the City is trying to find a legal support for the proposition that the appraised worth of the two pieces of properties isn't relevant for purposes of applying section 2212 ordinance, i.e., you could trade a \$100,000,000 piece of property for a \$5,000,000 parcel as long as they are the same size and can be used for the same parks function, and the ordinance would be satisfied. This effort, if true, suggests that the City doesn't care that the Mif property is worth vastly more than the North Loop property. She intends to tell John Russo that she will withdraw any tentative support that she had for this plan if we don't get a lot more money out of Harbor Bay Isle Associates to improve this Golf Complex, because what we are giving up, if this plan goes through, is golf property, and if we're giving up valuable golf property, at a minimum we should be getting enough money from that exchange in order to improve what is left.

Chair Sullwold stated that she, as well as Ray Gaul and Betsy Gammell, attended the Alameda Citizens Task Force meeting last week. Bob Wood made a very persuasive presentation regarding safety issues in Doric's plan for reconfiguration of the Clark course, that many holes are too close together and greatly increase the risk of injury from errant shots. Other configurations should be considered. One suggestion would be to build a three-hole practice area, which could include a par-3, a par-4 and a par-5 with three sets of tees, and also a practice putting green, chipping area and practice sand bunker, instead of a full 9-hole par-3 course. This would require less acreage and would free up more land for the front nine of the Clark.

Chair Sullwold stated that both she and Vice Chair Schmitz feel that if it came down to having a choice of having a new par-3 course and a truncated Clark course, or having two full-size 18-hole championship courses, they would vote for the latter. She thinks most golfers would agree. Unfortunately, the golfers, particularly the kids, have been too persuasive in championing the Mif, and she doesn't think City Council can now be convinced to back off from the position that Alameda needs a short course, regardless of anything else.

Vice Chair Schmitz believes that they should get as much input as they can from the golfers regarding whether they would prefer two full-size 18-hole courses, or one that has been reconfigured and shortened plus a new 9-hole par-3 course. He cautioned that those evaluating the proposal should not become overly invested in the configuration that has been proposed by Doric, because that could change. He also stated that golfers and the Commission originally supported the Mif being where it was and being cleaned up, and not letting it to go to another use.

Chair Sullwold stated that if the City gives up this very valuable piece of property, we have to receive in exchange for it sufficient money to make improvements to the entire Golf Complex, not just the front nine of the Clark course. Vice Chair Schmitz also believes they need assurance that the money that is received will be dedicated solely to golf. Chair Sullwold believes that if enough money was received, golfers could be convinced to support a swap. If the money is inadequate, however, she will discontinue her support, because that will just be giving Ron Cowan something for political gain. She thinks that we, including John Russo, are not in this in exchange for political gain.

Chair Sullwold believes that if Kemper receives the long term contract, their input of \$500,000 cash is inadequate in exchange for a long term contract, even if we get enough money out of Harbor Bay to do the 10-year improvement plan.

5-B Update on Golf Complex Finances

Chair Sullwold stated that rounds and revenue are up on all three courses compared to last month. Revenue on Fry and Clark in July 2011 was down compared to July 2010. Revenue on the Mif was up slightly compared to last year. Operating profits for July were \$153,940, and the only charge assessed in July by the City was the surcharge, leaving a net income after transfers of \$141,087. The golf complex added \$125,000 to the cash balance of the Enterprise Fund in July. As of July 2011, the cash balance in the Enterprise Fund was \$895,000, and the net available fund balance was \$600,000.

Chair Sullwold also inquired of the commissioners as the possibility of changing their regular meeting night to another day of the week. She will check the statutes to see if this can be done. Chair Sullwold made a motion to change the regular meeting night to the second Tuesday of each month, Commissioner Gaul seconded, and the motion carried unanimously, subject to the statutes.

6. ORAL COMMUNICATIONS, NON-AGENDA (Public Comment)

None

7. OLD BUSINESS

None

8. WRITTEN COMMUNICATIONS

Included in the Commission packet was a memorandum to the Finance Department showing a surcharge payment for July 2011 of \$12,853. The year-to-date to the General Fund is \$12,853 FY 2011/2012.

9. ITEMS FOR NEXT MEETING'S AGENDA

- Status Report on Long Term Lease, Mif Albright Negotiations, and proposal for Golf Complex reconfiguration by Ron Cowan and Harbor Bay Isle Associates, including Golf Commission recommendations, if any
- Update on Golf Complex Finances

10. ANNOUNCEMENTS/ADJOURNMENT

The meeting was adjourned at 7:47 p. m.

The agenda for the meeting was posted 72 hours in advance in accordance with the Brown Act.